



COUNCIL MINUTES

February 22, 2018

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 22, 2018 at 7:30 a.m.

COUNCIL PRESENT

John Giles
David Luna
Mark Freeman
Christopher Glover
Francisco Heredia
Kevin Thompson
Jeremy Whittaker

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Dee Ann Mickelsen
Jim Smith

1. Review items on the agenda for the February 26, 2018 Regular Council meeting.

All of the items on the agenda were reviewed among Council and staff and the following was noted:

Conflict of interest: 8-a and 8-b (Councilmember Thompson)

Items removed from the consent agenda: 6-a and 9-a

Vice Mayor Luna advised he would not be supporting agenda item 10-a.

City Attorney Jim Smith clarified a discussion from the Study Session held on February 15, 2018 regarding a remedy with Arizona State University (ASU). He explained a new remedy was negotiated with ASU, one that is more in tune with the intent of the contract, which is specific performance. He advised the new remedy states while the bonds are outstanding ASU would not have the option to leave and this can be enforced through specific performance requirements. He added the concept of specific performance is often seen in development agreements because it is more than just a payment of money; it is a requirement that both parties have to perform and must continue to perform.

In response to questions posed by Mayor Giles, Mr. Smith advised it is more beneficial to keep the Intergovernmental Agreement (IGA) operational for additional years in order to give the City some flexibility if there are additional phases needed. He stated if ASU and the City are unable to come to an agreement on the lease, the IGA can be terminated at any time.

City Manager Christopher Brady commented the IGA allows staff to begin negotiations and have further discussions with ASU. He added this is the very beginning of the process and specific

information regarding financing, master plans, and a lease will be provided to Council for consideration.

Discussion ensued relating to ASU's obligations once the bonds are paid off.

Downtown Transformation Manager Jeff McVay advised through the IGA, within five years, ASU would be committed to bring a minimum of 750 students, along with 40 faculty and staff, as well as several annual events related to film and media innovation. He added the City would be responsible for all the design and construction costs for the building and the first phase development of the City Center. He advised it is important to note the IGA has provisions for future phases, however, the City is not committed to these phases and ASU can choose to design and build the phases themselves.

Mr. McVay acknowledged the specific performance remedy in the IGA and agreed this is a greater benefit to the City, as opposed to bond repayment, because it coincides with the goal of increasing the activity in the downtown area. He also highlighted the security provisions in the IGA and advised ASU would need to provide their own security, however, the issue of how the City and ASU interact to provide security for the block will need to be addressed.

In response to a question posed by Mayor Giles, Mr. Brady explained the idea of the IT building is to make it a collaborative space and innovation studios where technology can be hands on experience. He also advised there is a strong interest from Boeing to provide equipment and software and that the goal is to have this building up and running before the ASU academic building is built.

Mayor Giles commented that he is anxious for staff to have discussions with ASU and provide direction to Council on how the innovation district, with ASU being an anchor, is to be paid for without having a sales tax increase.

Mr. Brady advised he is working closely with the budget office, and that with the current and anticipated growth, as well as savings and bond refinancing, it is anticipated that the City will be able to absorb the additional cost without changing the utility rate increase schedule that was already provided to Council. He added there is a large contribution coming from the enterprise fund to support public safety operations and five to six million dollars is allocated from this fund to support economic development investments, such as bringing ASU to the downtown area.

In response to a question posed by Mayor Giles, Mr. Brady stated an economic study was completed two to three years ago and based on that information the anticipated economic growth as a result of the addition of ASU to the downtown area is one billion dollars.

Councilmember Thompson commented that the reason he asked for the proposed IGA to be pulled from the consent agenda is due to a lack of information. He pointed out that Council has not had a chance to discuss and decide the direction of the City. He stated the opinion that there are a lot of needs in the community and monies could be allocated to these needs instead of to an ASU campus in the downtown area.

In response to a question posed by Councilmember Whittaker, Mr. Brady pointed out the IGA is a framework of what the discussion is going to entail. He added the IGA doesn't create a specific obligation for either party and the City can withdraw at any time.

In response to a question posed by Councilmember Glover, Rick Naimark, Associate Vice President of Arizona State University Planners Office, advised that studies have shown a small innovation center not connected to a research institution wouldn't be successful due to the inability to hold a large mass of students. He added ASU would not be able to have a successful academic and research program in a building that is smaller than the one currently proposed in the IGA.

Councilmember Freeman commented he has received numerous emails from constituents in his district in support of bringing ASU to downtown Mesa and additional questions and concerns can be worked out through future discussions.

Mayor Giles stated the opinion that it is important to have an intelligent conversation regarding the possibility of bringing ASU into the community. He added it is imperative to reiterate that public safety will not be shortchanged in order to bring an ASU campus to the downtown area.

In response to a question posed by Councilmember Whittaker, Mr. Brady advised the goal of the IGA is to engage in conversations with architects and design groups to establish a master plan and bring back to Council for consideration.

Councilmember Whittaker stated the opinion that it is disingenuous to imply that bringing an ASU campus to the City won't raise taxes and a utility rate increase would adversely affect low-income residents in the community.

Mayor Giles reiterated that five million dollars is allocated into an economic development account from the utility revenues in order to spur additional development of utilities, particularly in the downtown area. He added a major source of income for the City is through utility revenues. He advised adding ASU to the downtown area could attract other businesses, which will increase the utility customers. He stated an ASU campus is an asset and would be a permanent fixture in the downtown area for the future generations.

Discussion ensued relating to the financial health of the City.

Vice Mayor Luna suggested working with the school districts in Mesa, Gilbert, and Queen Creek to provide scholarship opportunities to students.

Councilmember Heredia supports the idea of moving forward with the IGA in order to have further discussions.

Robert Scantlebury, a Mesa resident, believes the process of bringing ASU to the City is happening very quickly and he commends Councilmembers Whittaker and Thompson for asking important questions. He stated the opinion that public safety has been underfunded in the past and public safety would be in a much better position had Question 1 not included bringing ASU into the community. He stated the City provides good services and has great infrastructure, but the private sector are better developers than local government.

2-a. Hear a presentation, discuss, and provide direction on Staff recommendations for Opportunity Zone Designations in Mesa.

Economic Development Director Bill Jabjiniak introduced Economic Development Project Manager Sara Sorensen who displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. Jabjiniak presented the benefits of the Opportunity Zones program and advised the program involves private investors supporting distressed areas through private equity investments in businesses and real estate ventures in the opportunity zones. He pointed out it is estimated that U.S. investors currently hold two trillion dollars in unrealized capital gains, stocks, and mutual funds. (See Page 3 of Attachment 1)

Mr. Jabjiniak displayed a map showcasing the 12 census tracks recommended for the Opportunity Zones program. (See Page 7 of Attachment 1) He advised staff's decision was based on the following:

- Areas most primed to receive private investment and additional economic development.
- Areas that will coincide with programs already in place.
- Areas with expected job growth.

Mayor Giles stated he is impressed with the recommendations and concurs with the census tracks selected by staff.

In response to a question posed by Councilmember Glover, Mr. Jabjiniak advised staff evaluated the recommendations provided by Local Initiatives Support Corporation (LISC) and both parties agreed on seven of the selected census tracks.

Ms. Sorensen added the information that LISC provided was through the Vitalyst Health Foundation and their census track suggestions were based mostly on health disparities and where healthy community projects would be appropriate. She advised that City staff focused on economic development potential, as well as private investment potential, when choosing the selected 12 census tracks.

Councilmember Glover requested that staff work with LISC in the future to identify opportunities of improvement in the light rail corridor area.

Mayor Giles thanked staff for the presentation.

2-b. Hear a presentation and discuss the demand for service in the Mesa Fire and Medical Department.

Management and Budget Director Candace Cannistraro introduced Performance Advisor Mark Castleton and Performance Advisor ShaLae Steadman who displayed a PowerPoint presentation. **(See Attachment 2)**

Ms. Cannistraro advised since last year staff has been working with the Mesa Fire and Medical Department (MFMD) to determine the demand for service in the City as it relates to the MFMD. She explained staff has been analyzing data from the computer aided dispatch (CAD) and electronic patient care reporting (EPCR) systems. She added this data consists of 1 million incidents, 2.1 million responses, 7 million lines of medical data, and 113 million lines of track data. She stated the data being presented will illustrate how the demand for service has changed and evolved in the last 12 years.

Mr. Castleton displayed a chart that depicts the relative mix and shift in demand for Medical, Fire, Special Operations, Service, and Community Medicine. (See Page 12 of Attachment 2)

Mr. Castleton provided the 2017 calls for service for each category as follows:

- Medical – 81%
- Fire – 7%
- Community Medicine – 7%
- Service Calls – 4%
- Special Operations – 1%

Mr. Castleton presented two maps that depict the change in frequency and density of fire incidents from 2006 to 2017. He pointed out in 2017 fire incidents are less frequent and dense, however, incident volume is growing along the Guadalupe corridor and in the Signal Butte area between Warner Road and Ray Road. (See Page 13 of Attachment 2)

In response to a question posed by Mayor Giles, Ms. Cannistraro explained the idea of areas A, B, and C is to illustrate the difference in demand for services in those areas.

Mr. Castleton provided the demand for service based on the time of day. He pointed out that among the five demand categories and in all 33 areas of the City, the pattern of demand has been highly stable throughout the past 12 years. (See Page 19 of Attachment 2)

City Manager Christopher Brady added this pattern is significant as it will help determine staffing models in the future based on the demand during the day.

In response to a question posed by Vice Mayor Luna, Ms. Cannistraro advised the data available is inclusive to all calls, and at this point calls for service for one particular facility type has not been examined. She added that type of information is available but today's presentation showcases trends in the calls for service based on location, time, and seasonality.

Ms. Cannistraro concluded the presentation by stating the purpose of the data analysis is to show how the demand for service is changing and evolving in the City. She explained that the next step is to find ways to be more effective and efficient in responding to calls now that it is known how the demand is progressing. She advised the goal is to present staffing model recommendations to Council that adhere to the demand and will be sustainable in the future.

Councilmember Freeman commented that the data is extremely important in order to evaluate where police and fire stations are needed based on the growth in certain areas of the City.

In response to a question posed by Councilmember Heredia, Ms. Cannistraro advised the data shows the acuity when the call is dispatched and the acuity once a firefighter has arrived and is able to assess the patient. She explained there are multiple data points available to see the entire process of a call from start to finish.

In response to a question posed by Councilmember Whittaker, Ms. Cannistraro advised several City departments are working together to create a dashboard that will continuously upload data and create a model that is up-to-date.

Councilmember Freeman stated the opinion that it is important to fund projects, such as fire stations and police stations, where they are needed in order to be proactive with the data provided.

In response to a question posed by Councilmember Heredia, Fire Chief Mary Cameli advised a quality assurance process is conducted on all calls for service.

Chief Cameli added that the MFMD plans to look at all the data before significant decisions are made. She added it is important to remember that firefighters need to be strategically placed throughout the City in order to get to a call within six minutes. She advised per thousand residents there should be one firefighter and right now the City is at .83 firefighters per thousand residents. She pointed out the goal is to maintain a high level of care and in order to do this it is critical the City does not reduce the service being provided.

Mayor Giles thanked staff for the presentation.

3. Acknowledge receipt of minutes of various boards and committees.

3-a. Housing and Community Development Advisory Board meeting held on January 11, 2018.

It was moved by Councilmember Freeman, seconded by Councilmember Glover, that receipt of the above-listed minutes be acknowledged.

Carried unanimously.

4. Information pertaining to the current Job Order Contracting Projects.

(This item was not discussed by the Council.)

5. Hear reports on meetings and/or conferences attended.

There were no reports on meetings and/or conferences attended.

6. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the schedule of meetings is as follows:

Friday, February 23, 2018 – Spring Training Opening Day for the Oakland A's

Saturday, February 24, 2018 – Spring Training Opening Day for the Chicago Cubs

Saturday, February 24, 2018, 5:00 a.m. – Mesa/Phoenix Marathon

Monday, February 26, 2018, 5:15 p.m. – Study Session

Monday, February 26, 2018, 5:45 p.m. – Regular Council Meeting

Councilmember Whittaker commented that the Google Maps link on the City's website is a great tool for citizens to use in order to see road closures that will occur as a result of the marathon.

7. Adjournment.

Without objection, the Study Session adjourned at 9:31 a.m.

JOHN GILES, MAYOR

ATTEST:

DEE ANN MICKELSEN, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 26th day of February, 2018. I further certify that the meeting was duly called and held and that a quorum was present.

DEE ANN MICKELSEN, CITY CLERK

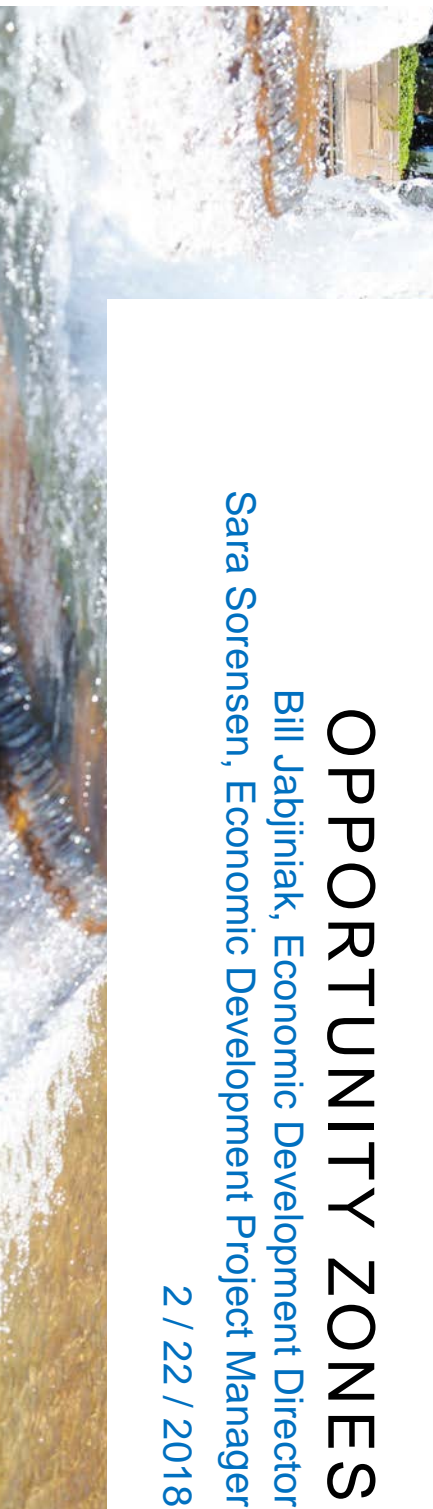
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(Attachments – 2)



OPPORTUNITY ZONES

Bill Jabiniak, Economic Development Director
Sara Sorensen, Economic Development Project Manager

2 / 22 / 2018



OPPORTUNITY ZONES

- Created under the Tax Cuts and Jobs Act (December 2017)
- Goal is to attract long-term investment in distressed areas (Census tracts) through the deferral or elimination of taxes on capital gains on investments within these zones
- Eligibility requirements set by U.S. Dept. of Treasury
- Governor Ducey may nominate up to 25% of a state's qualifying Census tracts to receive Opportunity Zone designation

BENEFITS

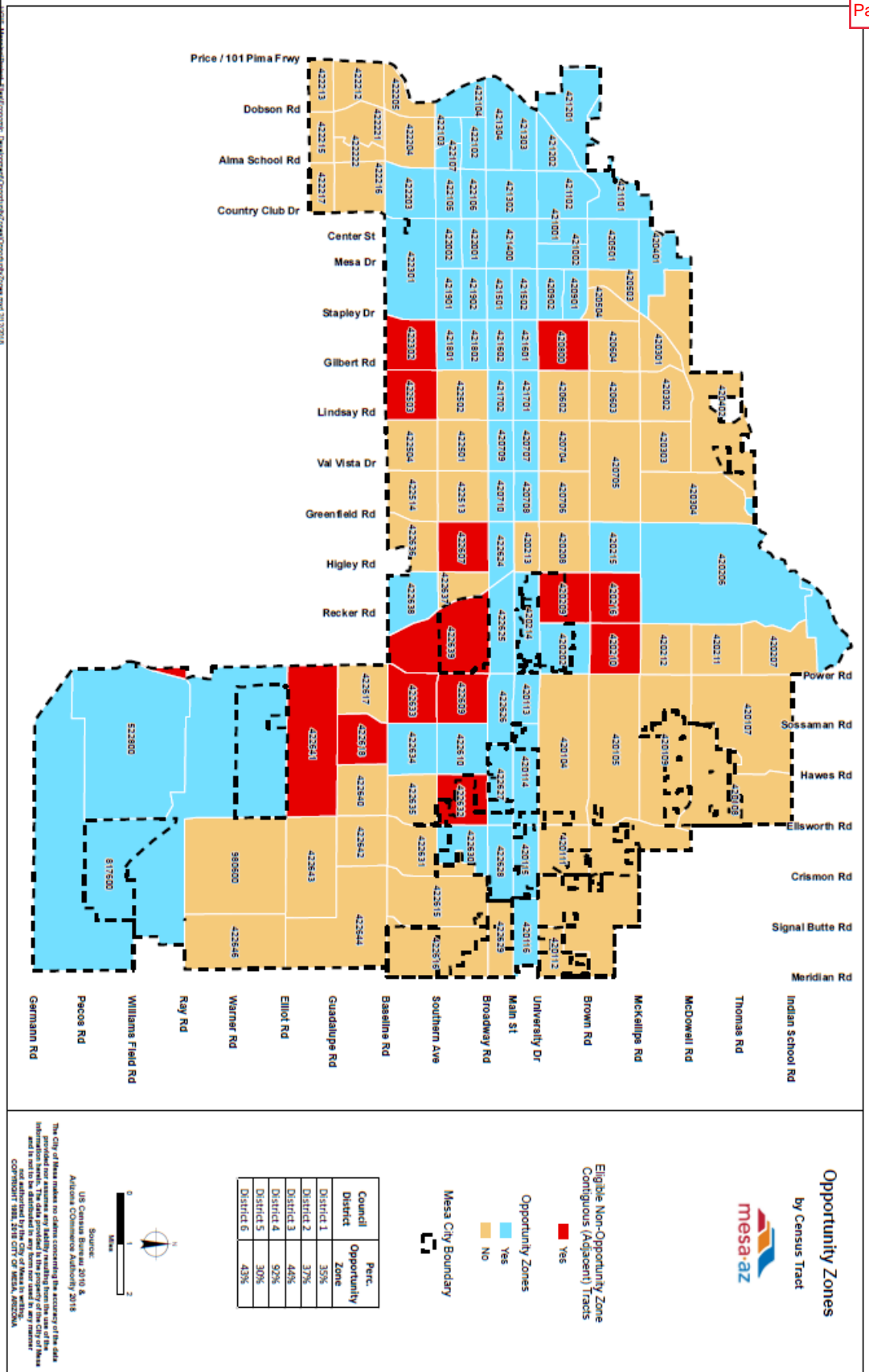
- Benefit of the Opportunity Zone designation is realized through creation of Investment Funds
- Once funds are certified by the U.S. Dept. of Treasury, investors see a deferral or elimination of taxes on capital gains that grows the longer the investor holds on to the investment
- After 10 years, gains on the sale or exchange of the investment are tax free

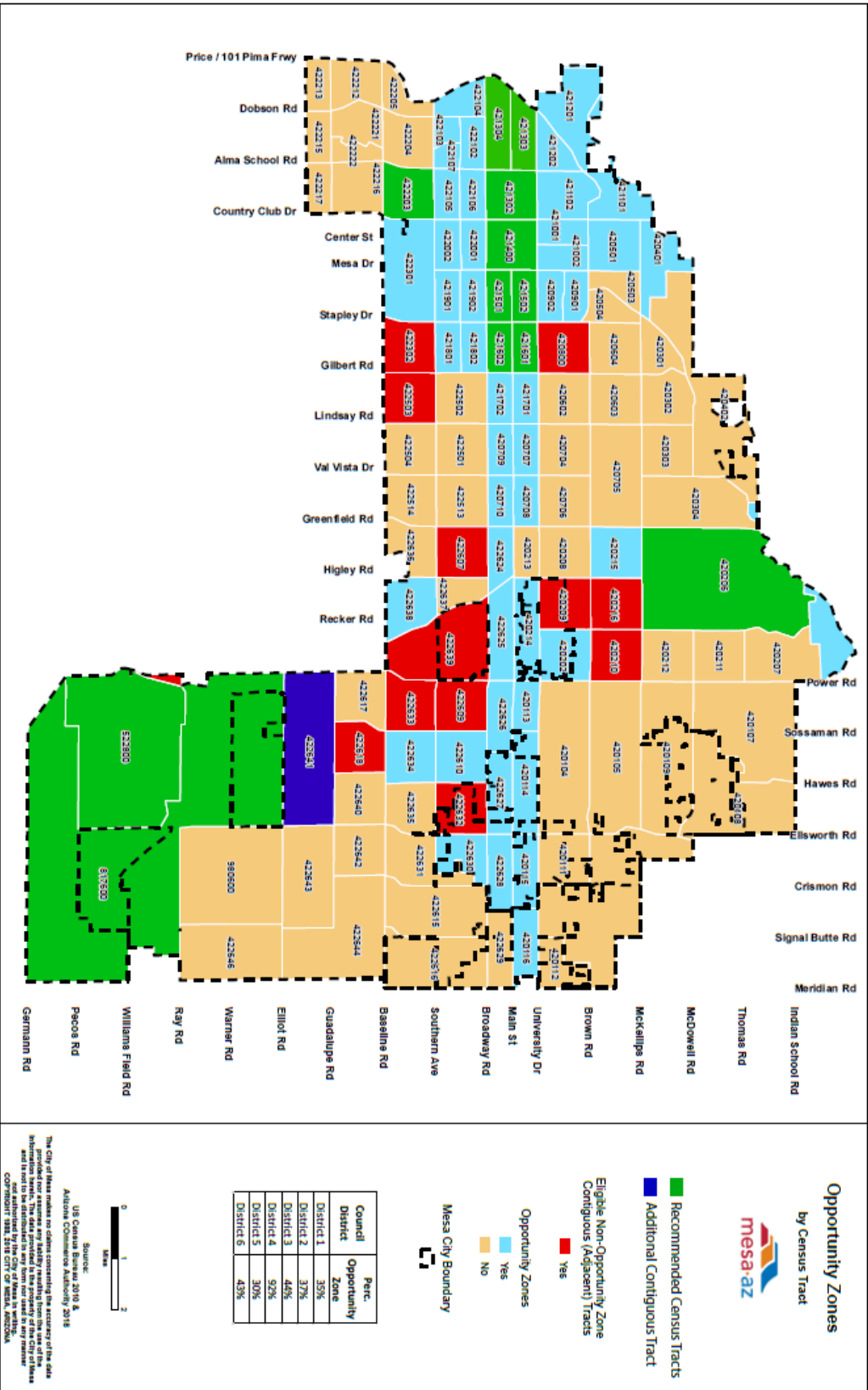
ELIGIBILITY REQUIREMENTS

- 669 of Arizona's 1,526 Census tracts qualify – Gov. Ducey may nominate a total of 168 tracts statewide
- Arizona Commerce Authority (ACA) advised on how to proportionately allocate the 168 per jurisdiction
- Mesa may recommend up to 12 *qualified* tracts

ELIGIBILITY REQUIREMENTS - Continued

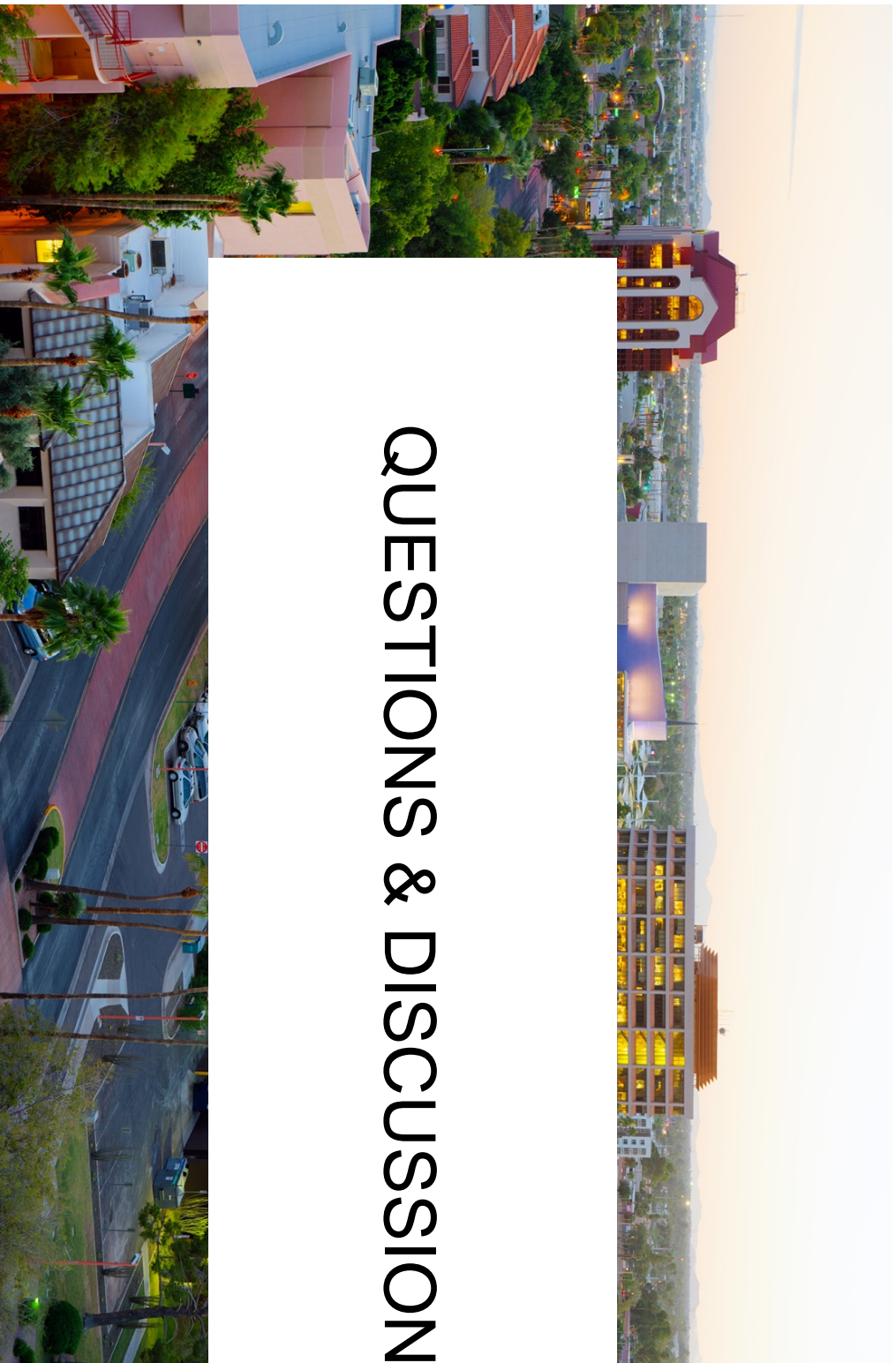
- ‘**Contiguous Provision**’ allows states to nominate 5% of tracts that don’t automatically qualify, as long as the tract is:
 - Contiguous to a qualifying tract
 - Has a median family income that does not exceed 125% of the qualifying adjacent tract
- Arizona may only nominate a total of 9 of these tracts statewide
- Mesa may only recommend 1 of these tracts
- In total, Mesa may recommend 12 qualifying tracts and 1 contiguous tract to receive the Opportunity Zone designation





NEXT STEPS

- Mesa's final submission due to the Arizona Commerce Authority (ACA) tomorrow, February 23
- ACA and Governor Ducey's office will further evaluate our recommendations
- Governor Ducey will submit Arizona's final Opportunity Zone nominations to the U.S. Dept. of Treasury by March 22



QUESTIONS & DISCUSSION

MESA FIRE & MEDICAL

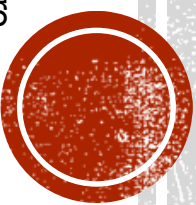
Demand for Services

Presented by:

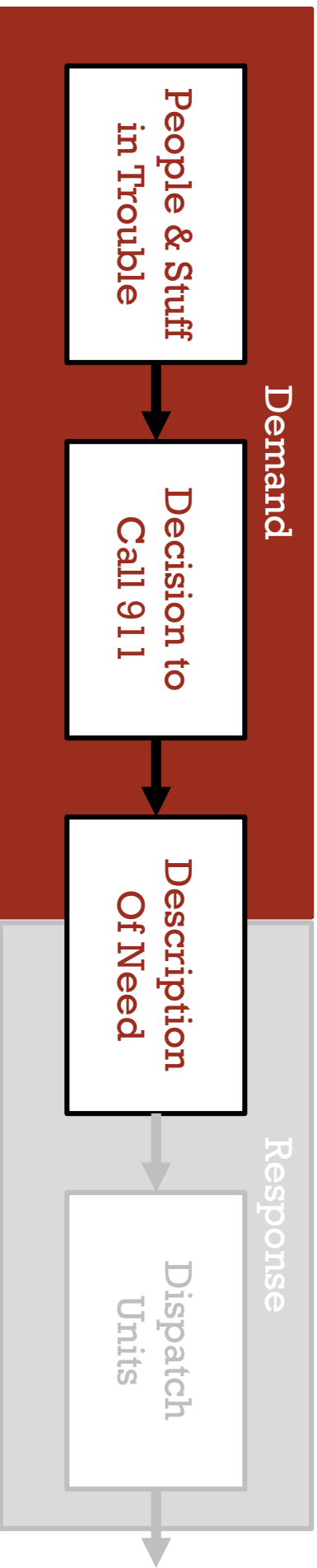
Candace Cannistraro

Mark Castleton

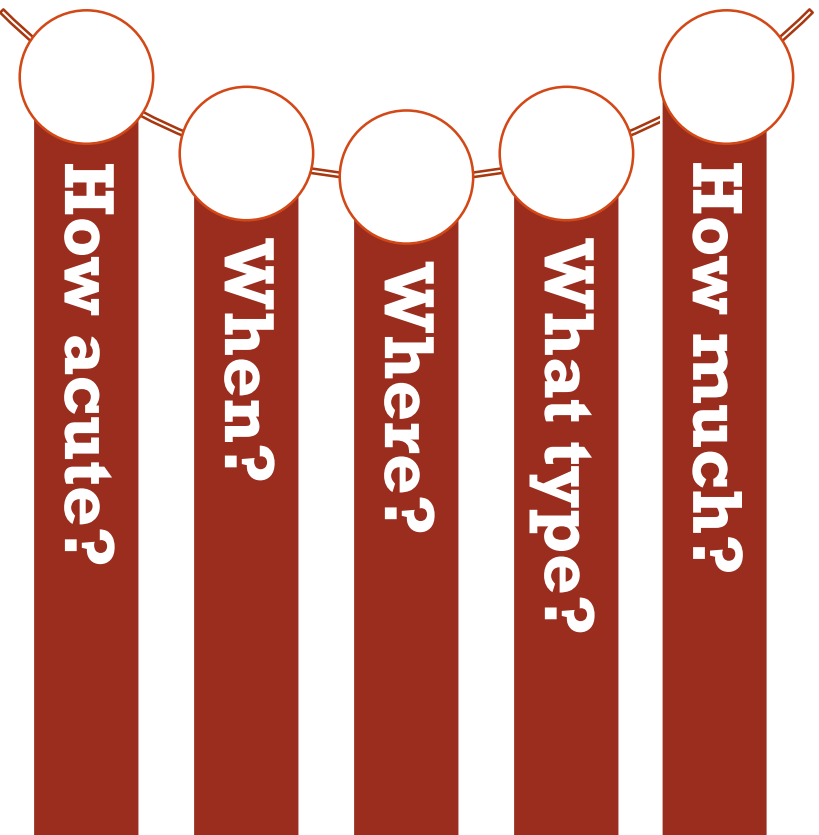
Shalae Steadman



MEMD Sequence of Events

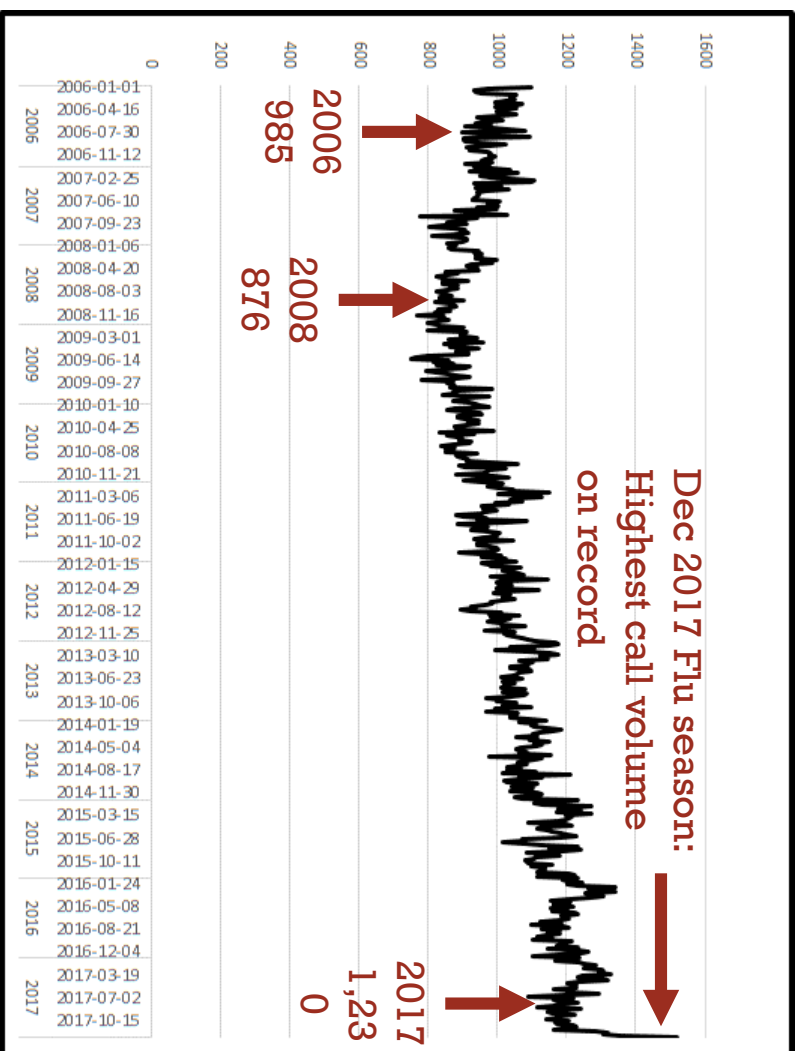


Demand: 5 Facets



12 Year History Of Demand

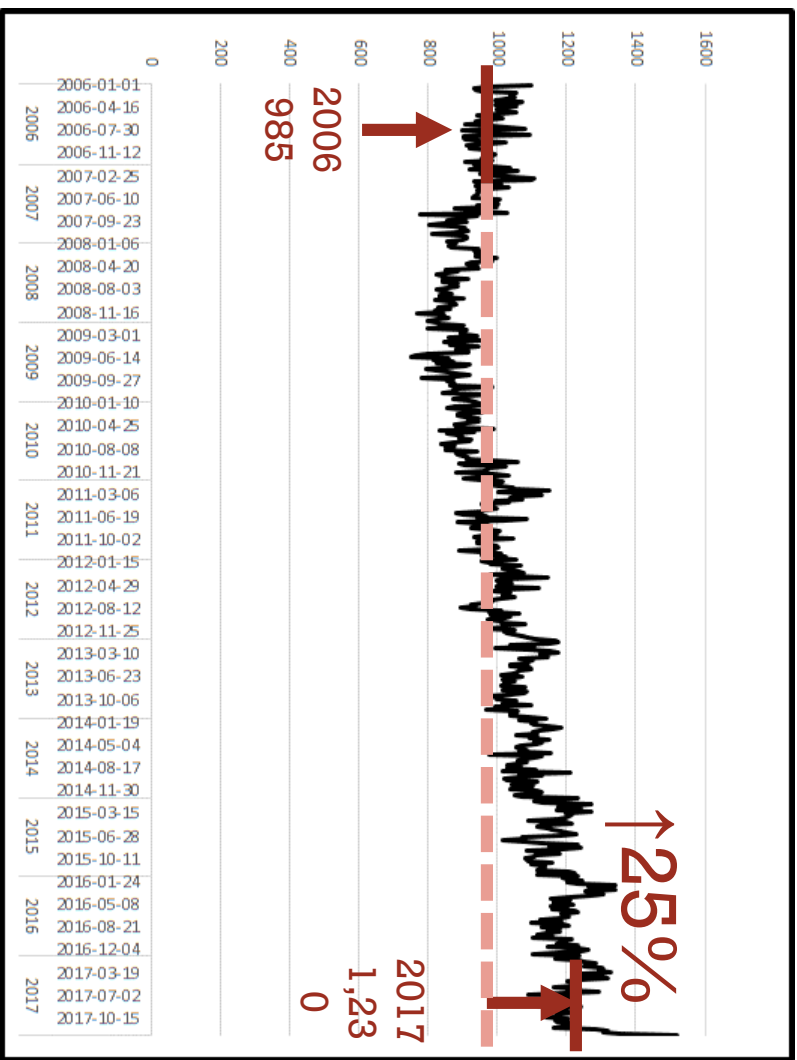
- Weekly incidents



How much? ~ What? ~ Where? ~ When? ~ Acuity?

12 Year History Of Demand

- Weekly incidents
- Total incidents
 - 2006-17: ↑25%



How much?



What?



Where?



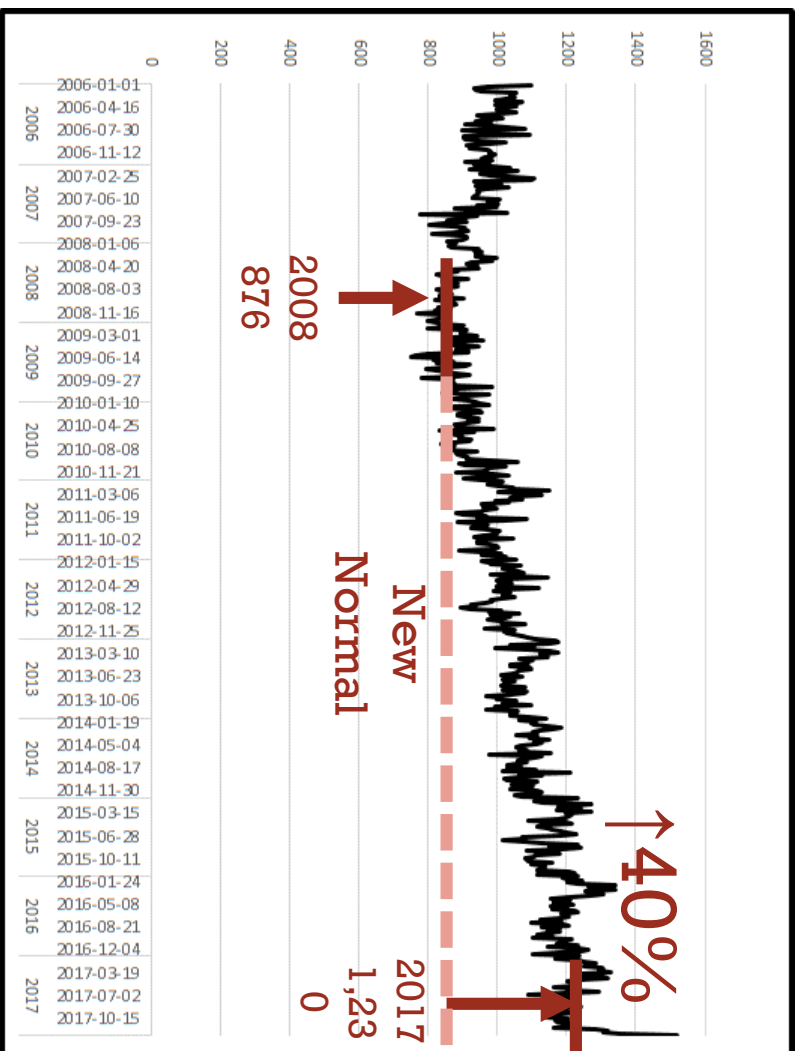
When?



Acuity?

12 Year History Of Demand

- Weekly incidents
- Total incidents
 - 2006-17: ↑25%
 - 2008-17: ↑40%



How much?



What?



Where?

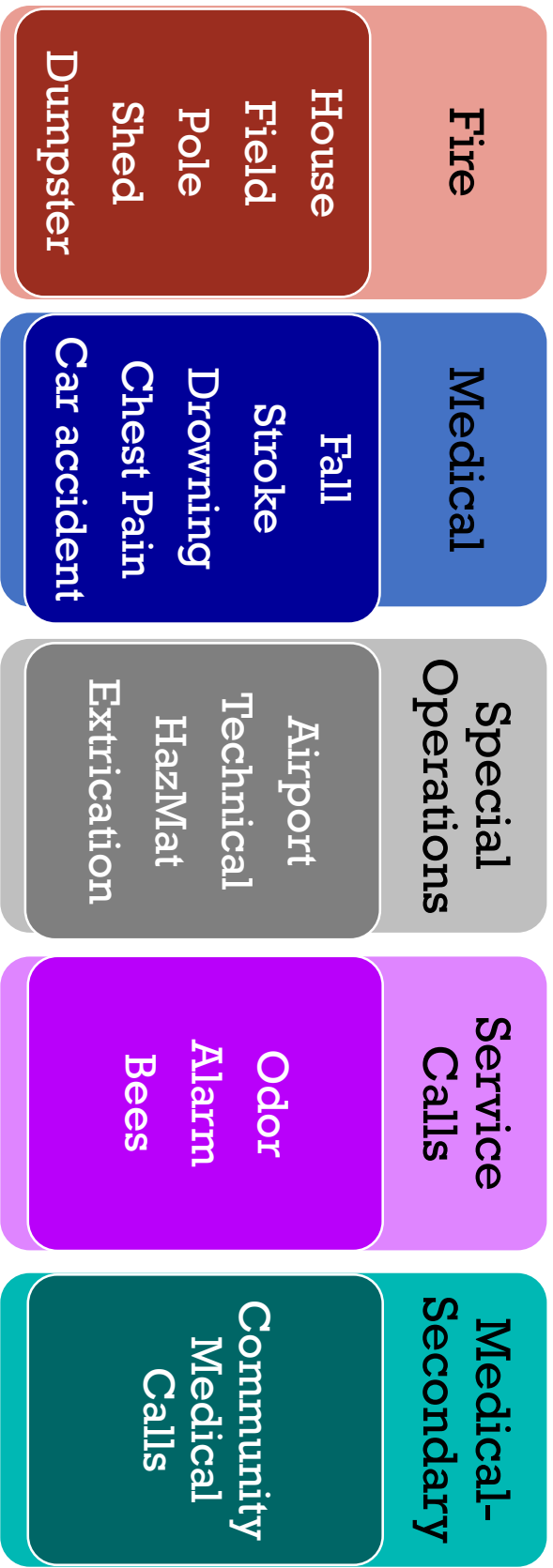


When?



Acuity?

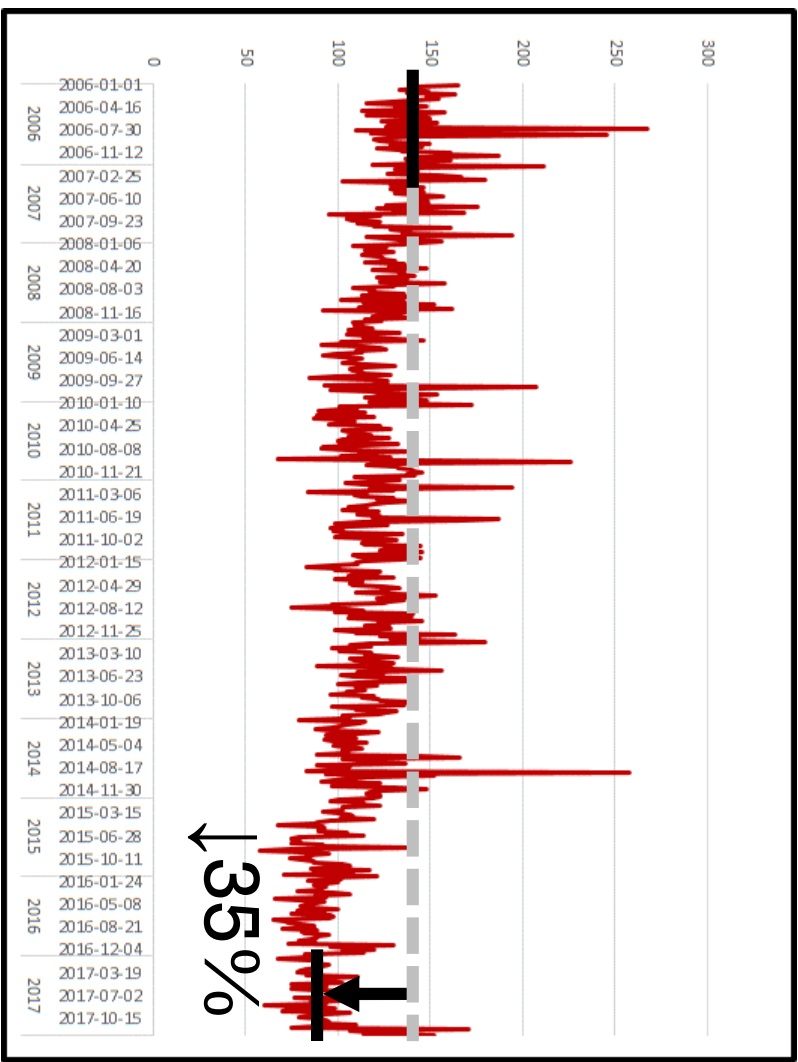
5 Types Of Demand



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Fire Incidents Are Declining

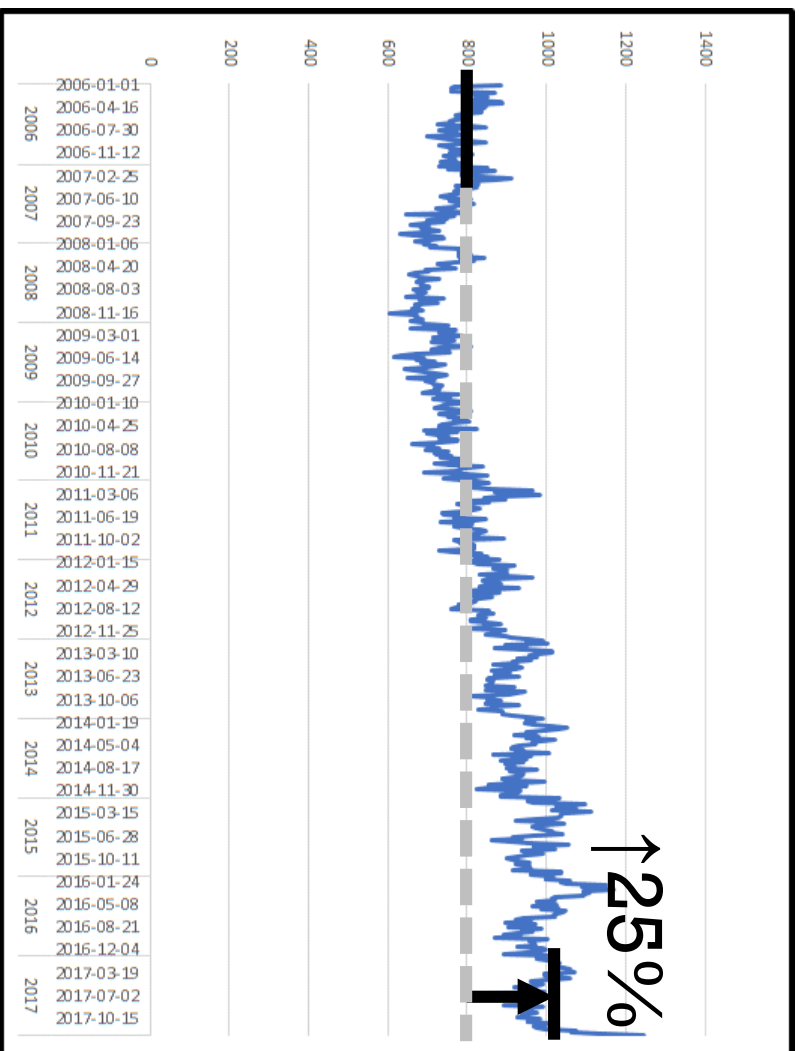
- 12 year history
- Weekly incidents
- Fire calls
- 2006-17: ↓ 35%



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Medical Incidents Are Increasing

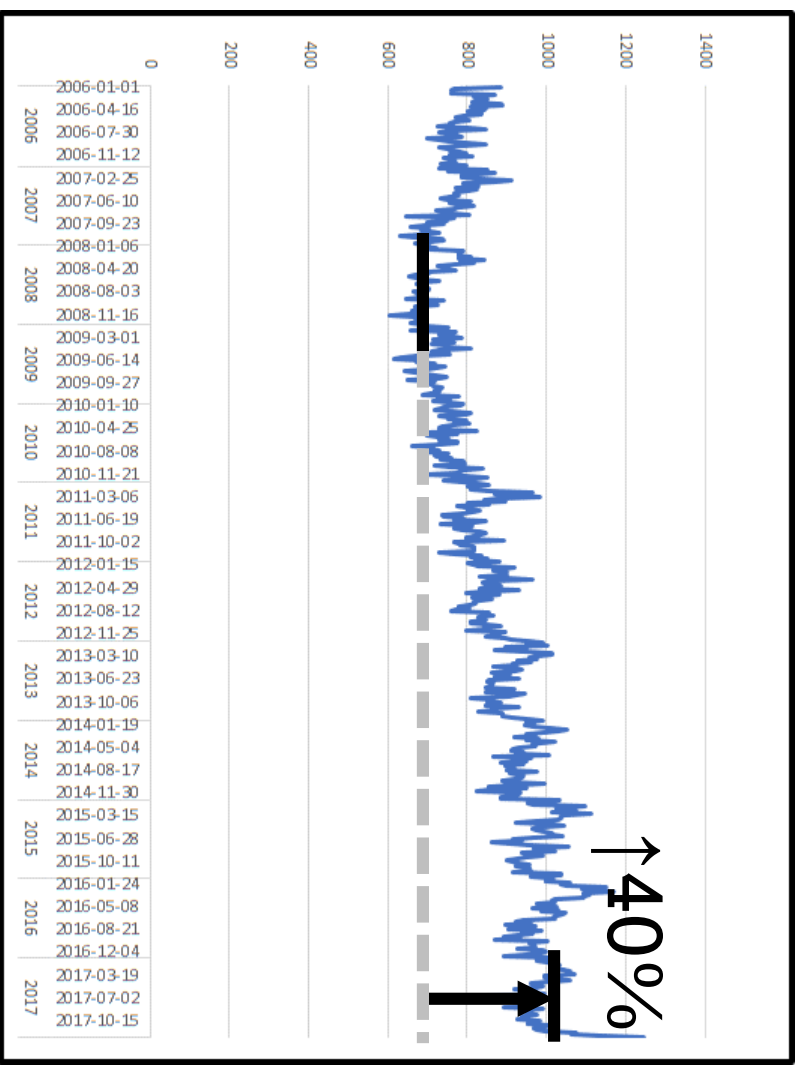
- 12 year history
- Weekly incidents
- Medical calls
- 2006-17: ↑25%



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Medical Incidents Are Increasing

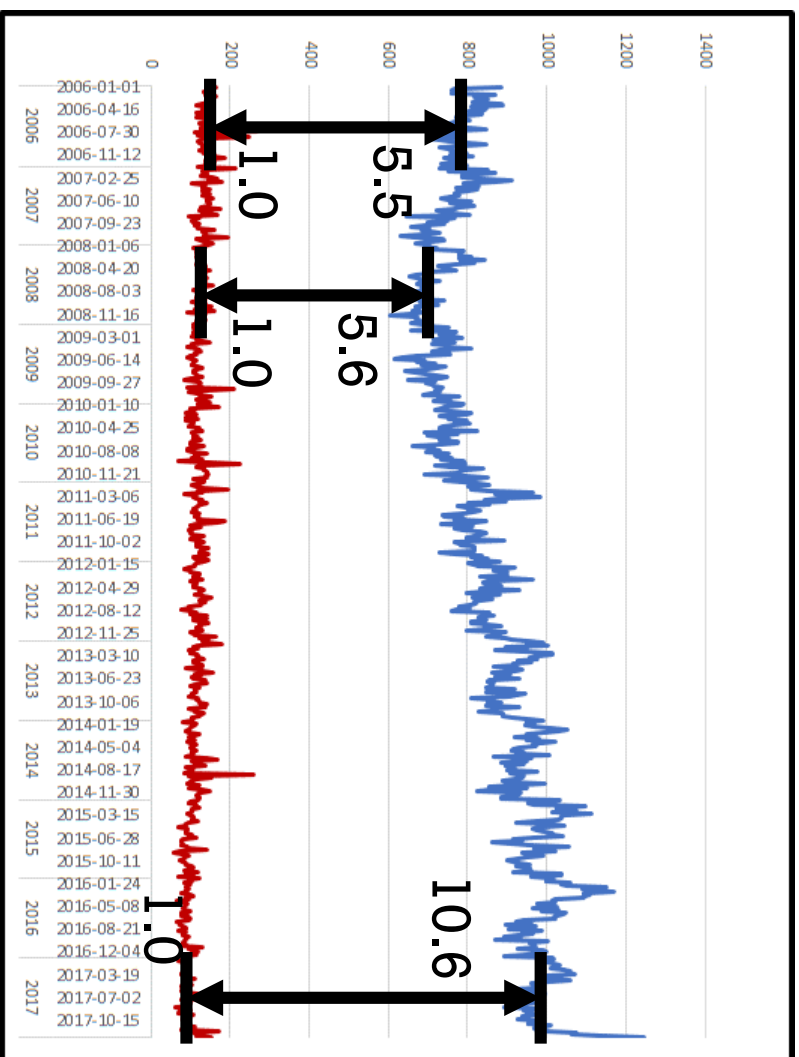
- 12 year history
- Weekly incidents
- Medical calls
 - 2006-17: ↑25%
 - 2008-17: ↑40%



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Medical vs Fire Incidents

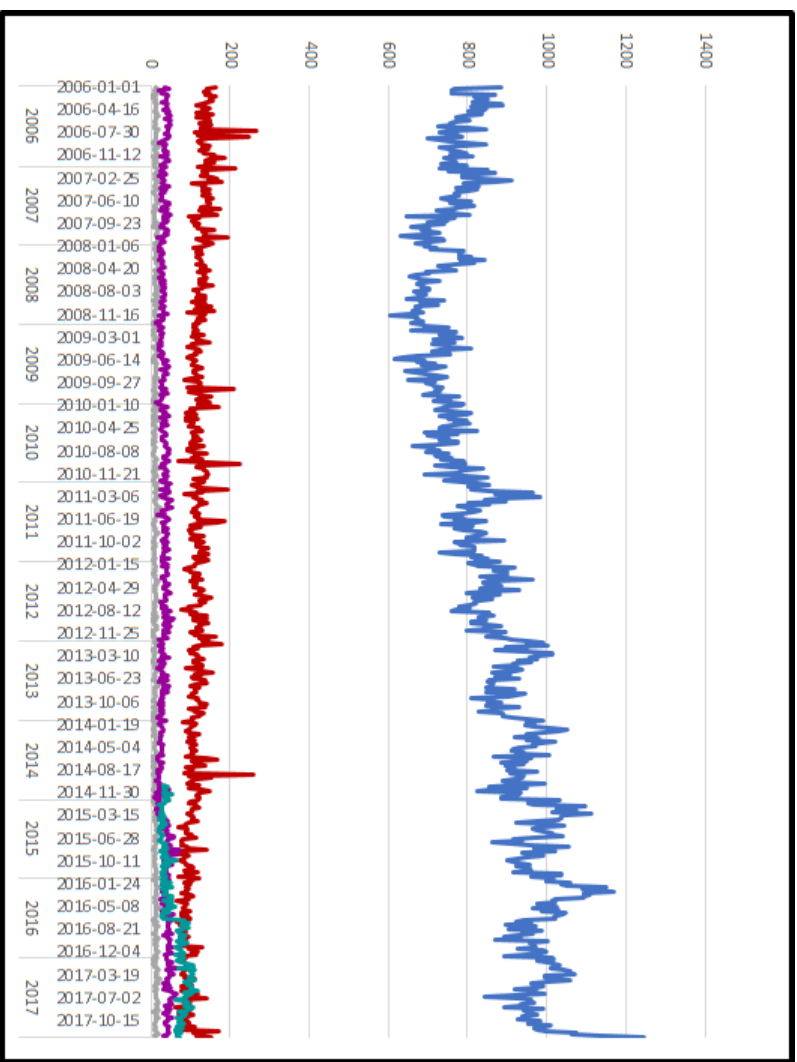
- 12 year history
- Weekly incidents
- **Medical : Fire calls**
 - 2006 5.5 : 1.0
 - 2008 5.6 : 1.0
 - 2017 10.6 : 1.0



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Incident Type History & Comparison

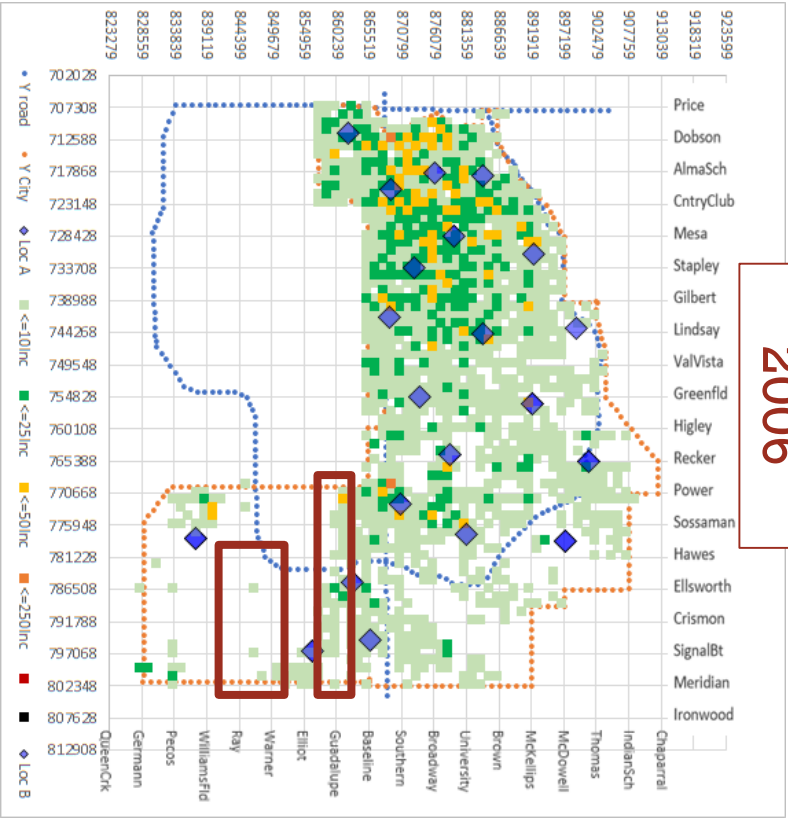
- 12 year history
- Weekly incidents
- Medical
- Fire
- Special Operations
- Service
- Medical - Secondary



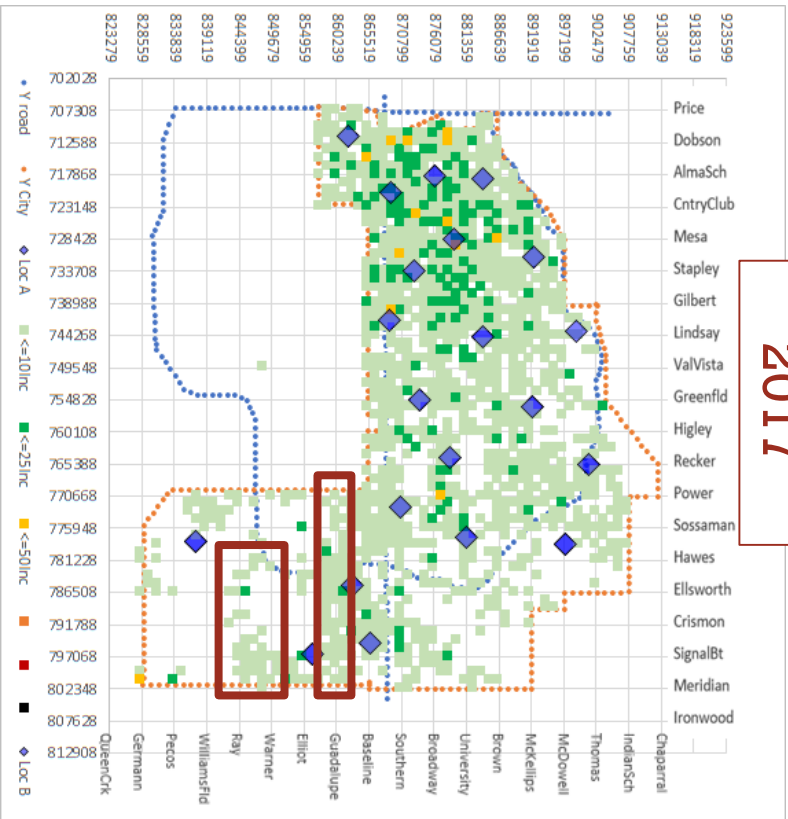
How much? ~ What? ~ Where? ~ When? ~ Acuity?

Fire Incidents

2006



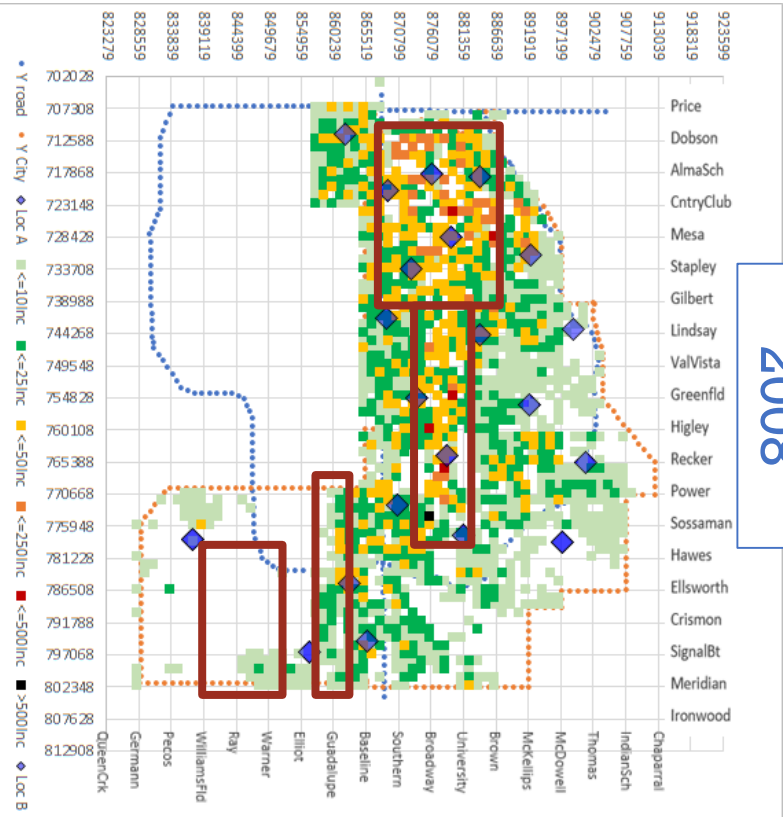
2017



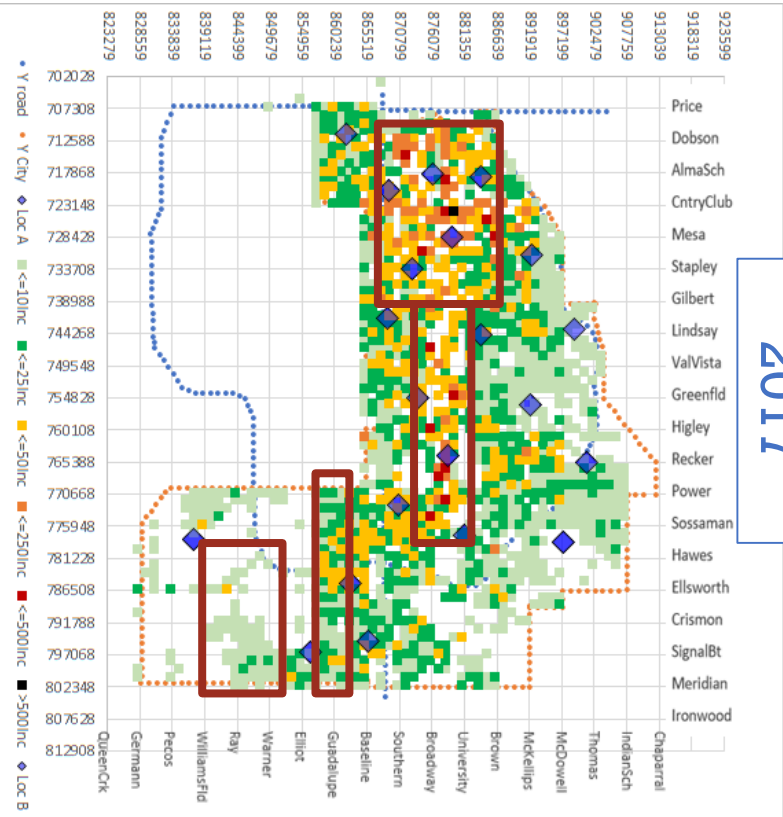
How much? ~ What? ~ Where? ~ When? ~ Acuity?

Medical Incidents

2008



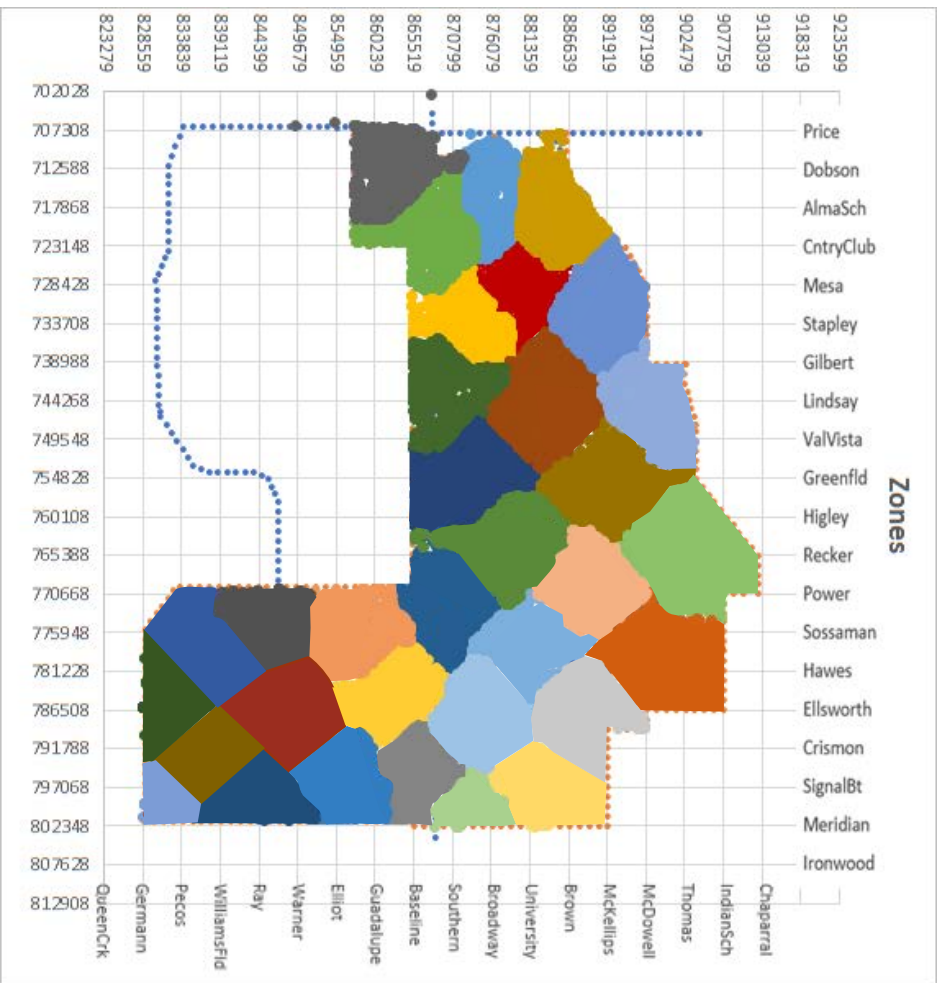
2017



How much? ~ What? ~ Where? ~ When? ~ Acuity?

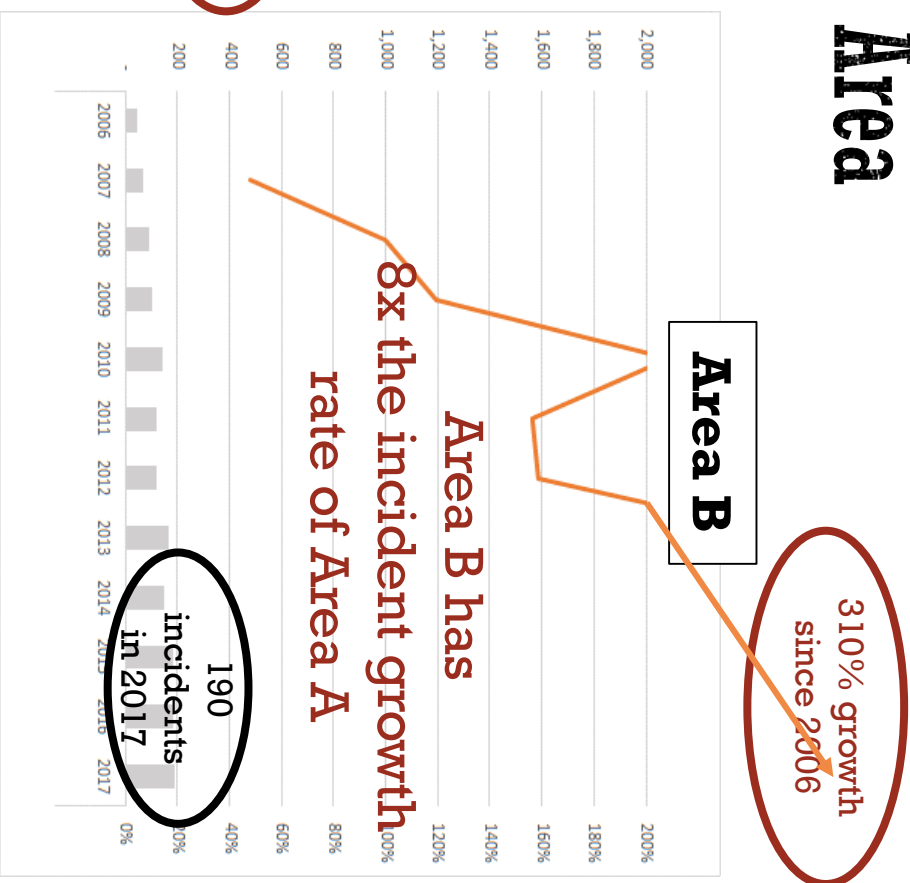
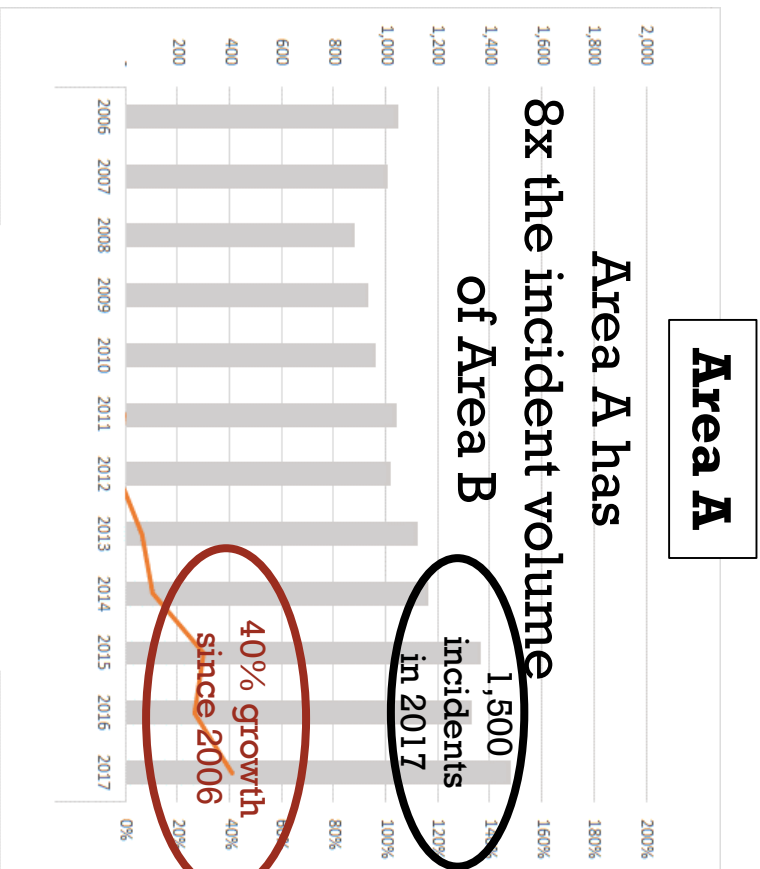
Areas

- Zones
- Neighborhood
- Construction Period



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Demand Features Vary by Area

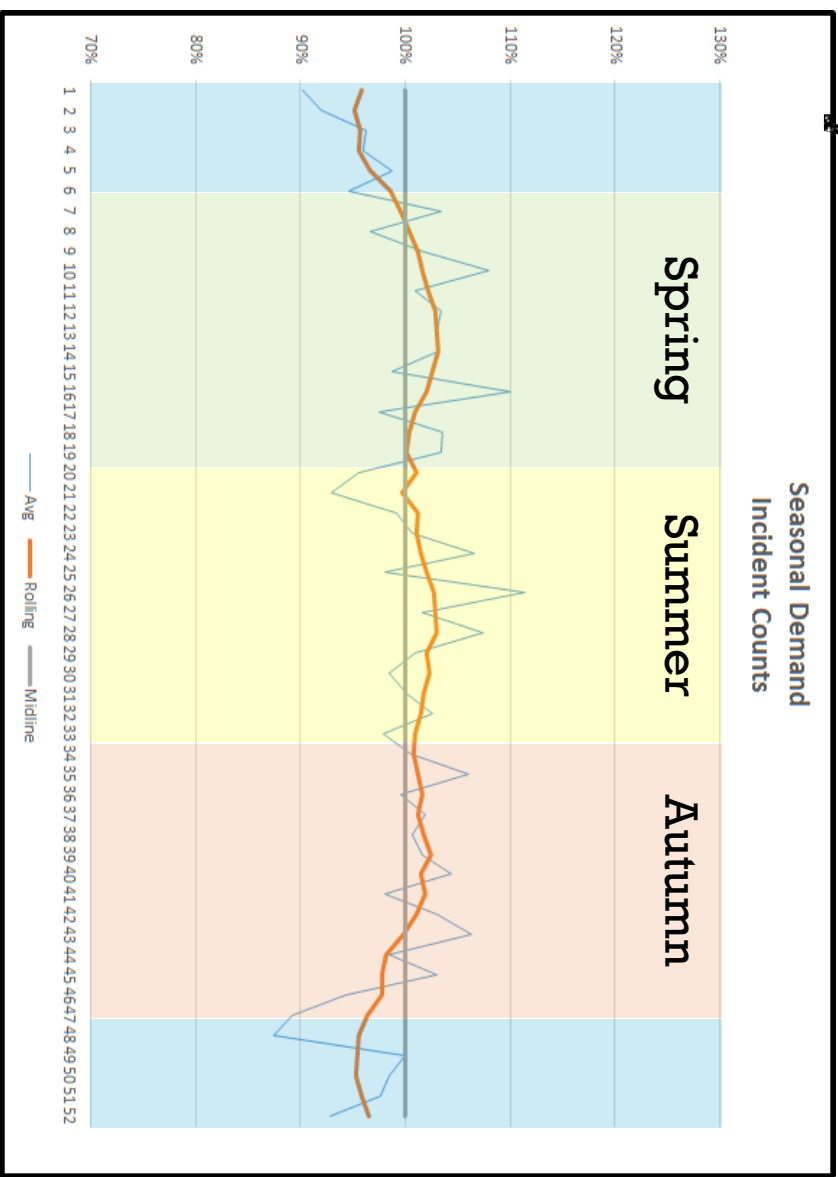


How much? ~ What? ~ Where? ~ When? ~ Acuity?

Demand Changes by Season

Seasonality

- Area C: Low

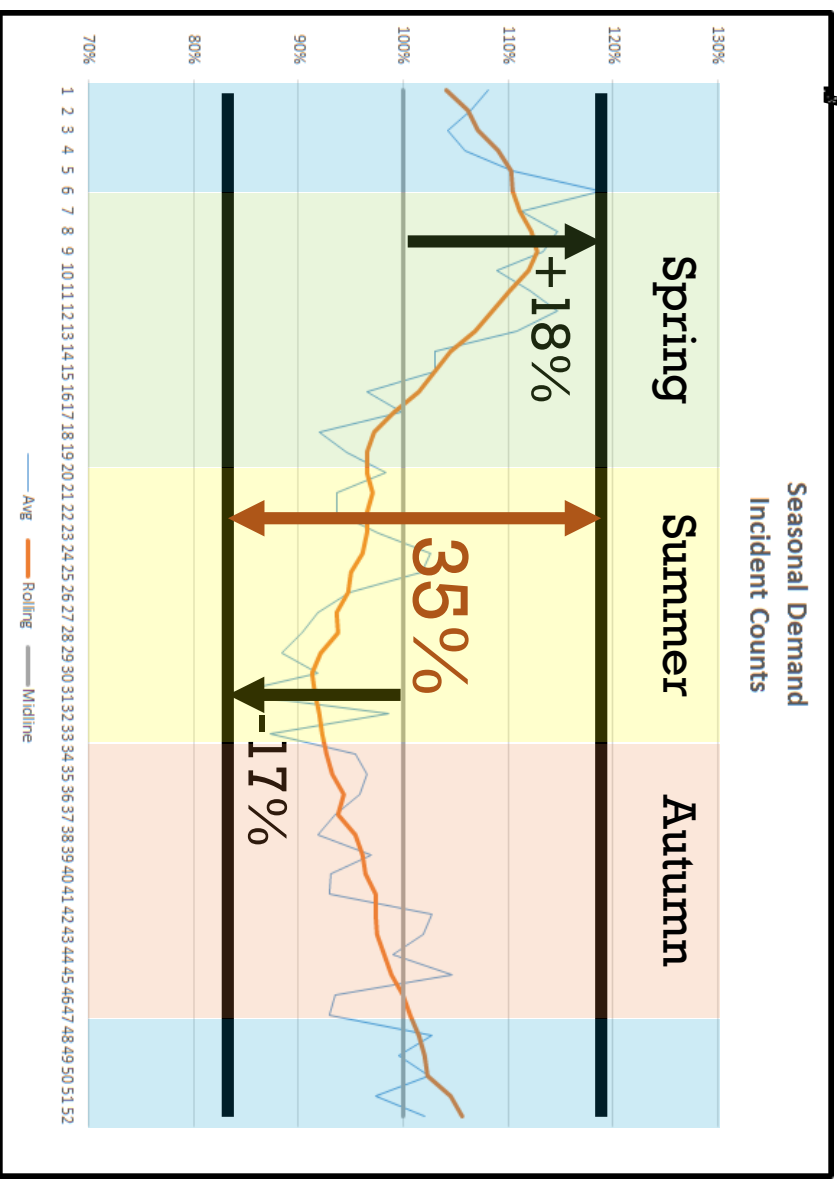


How much? ~ What? ~ Where? ~ When? ~ Acuity?

Demand Changes by Season

Seasonality

- Area D: High



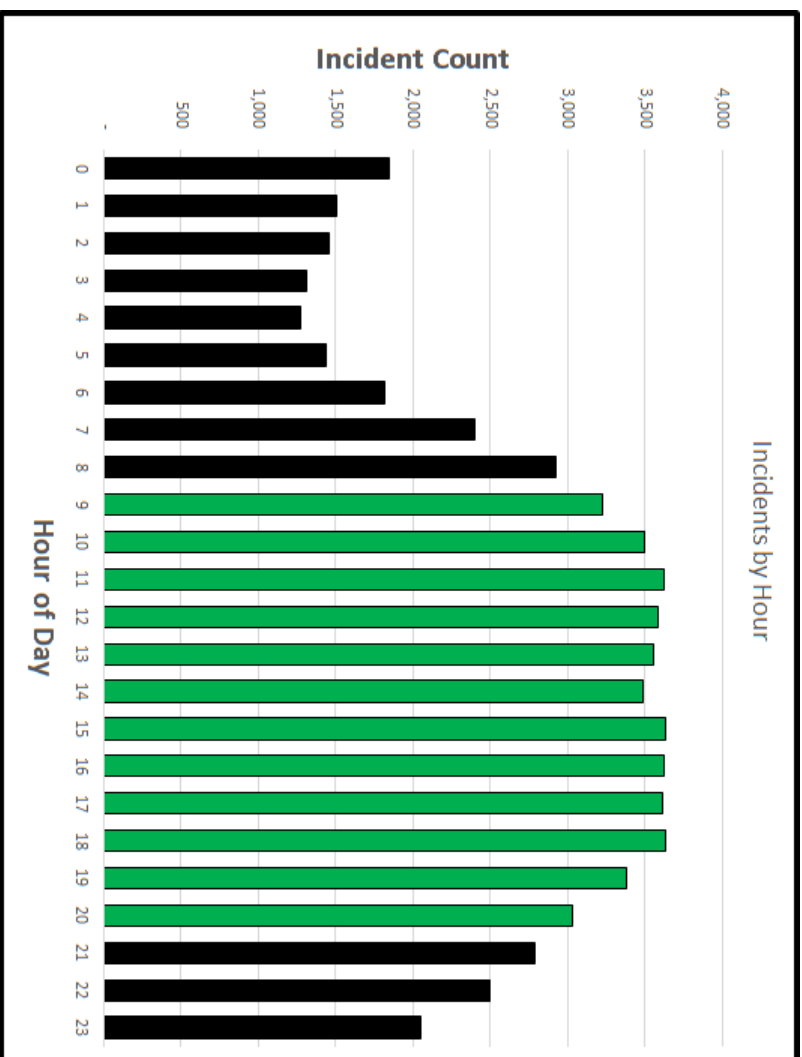
How much? ~ What? ~ Where? ~ When? ~ Acuity?

Demand Changes by Time Of Day

Time of Day

- 64% of calls occur from 9am – 9pm

...almost 2x calls during the day as at night



How much? ~ What? ~ Where? ~ When? ~ Acuity?

Demand has Different Levels of Acuity

Medical Subcategory	Complex	MVA	ALS	BLS	Total	
Call Count (2017)	12,297	3,433	27,239	9,616	52,585	
Type	18 Nature Codes Stroke Drowning Heart Attack	6 Nature Codes Bike Motorcycle Pedestrian	23 Nature Codes Fall Seizure Unconscious	18 Nature Codes Ill-B Fall-B Injury-B	65 Nature Codes All Call Types	
	5 (Severe)	17%	6%	4%	1%	15%
	4	14%	7%	16%	7%	12%
	3	13%	2%	8%	5%	10%
	2	28%	20%	34%	33%	27%
1 (Normal)	22%	52%	31%	46%	29%	
Not coded	6%	13%	7%	7%	7%	

How much? ~ What? ~ Where? ~ When? ~ Acuity?

Describe Demand



MEMD Sequence of Events

